

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (this "Third Amendment") is made this 20th day of August, 2007 (the "Effective Date"), by and between **HESTER, INC.** a/k/a **ELDRIDGE, INC.**, a Delaware corporation ("Landlord"), and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic ("Tenant").

WITNESSETH:

WHEREAS, pursuant to that certain Lease Agreement dated June 30, 1998 (the "Original Lease"), Landlord leased to Tenant, and Tenant leased from Landlord, approximately 10,652 rentable square feet of space (the "Original Premises") on the lower level of the building located at 255 Rockville Pike, Rockville, Maryland (the "Building");

WHEREAS, pursuant to that certain First Amendment to Lease dated December 19, 2001 (the "First Amendment"), Landlord and Tenant amended the Original Lease to provide for the demise to Tenant of approximately 2,500 rentable square feet of additional space (the "Expansion Space") on the lower level of the Building, upon the terms and conditions set forth in the First Amendment;

WHEREAS, pursuant to that certain Second Amendment to Lease dated May 21, 2007 (the "Second Amendment"), Landlord and Tenant amended the Original Lease, as amended, to provide for the extension of the Term until the Extended Lease Expiration Date (as such term is defined in the Second Amendment), upon the terms and conditions set forth in the Second Amendment; and

WHEREAS, Landlord and Tenant desire to amend the Original Lease, as amended, to provide for the demise to Tenant of the Second Expansion Space (hereinafter defined), upon the terms and conditions set forth in this Third Amendment.

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration and of the mutual agreements hereinafter set forth, it is hereby mutually agreed as follows:

1. Incorporation of Recitals. The foregoing recitals are hereby incorporated in this Third Amendment and made a part hereof by this reference.

2. Definitions. All capitalized terms used in this Third Amendment shall have the meanings ascribed thereto in the Original Lease, unless otherwise defined herein. As used herein and in the Original Lease: (a) the term "Lease" shall mean the Original Lease, as amended by the First Amendment, the Second Amendment and this Third Amendment; and (b) from and after the Second Expansion Space Commencement Date (hereinafter defined), the terms "Premises" or "Leased Premises" shall mean the Original Premises together with the Expansion Space and the Second Expansion Space.

3. **Second Expansion Space.** Subject to the terms and conditions set forth herein, Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, for a term beginning on the Second Expansion Space Commencement Date and ending on the Extended Lease Expiration Date, approximately 2,110 rentable square feet of space located on the P-1 Level of the Building (the "Second Expansion Space," as shown on the attached Exhibit A). As of the Second Expansion Space Commencement Date, the aggregate number of rentable square feet demised to Tenant under the Lease (consisting of the Original Premises, the Expansion Space and the Second Expansion Space) shall be 15,262.

4. **Landlord Improvements to the Second Expansion Space.** Landlord shall construct in the Second Expansion Space, at Landlord's sole cost and expense, the work set forth on Exhibit A attached hereto (collectively, the "Tenant Improvements"). The taking of possession of the Second Expansion Space by Tenant shall constitute an acknowledgment by Tenant that the Second Expansion Space is in good condition, that Landlord has provided or constructed all improvements to be provided or constructed by Landlord in the Second Expansion Space and that all materials and labor provided by Landlord are satisfactory except as to any defects or incomplete work that is specified on the punch list delivered to Landlord by Tenant. Landlord agrees to complete promptly all punch list items which Landlord's architect confirms are defects or incomplete items.

5. **Intentionally Omitted.**

6. **Lease Term.** The Lease Term with respect to the Second Expansion Space shall commence on the Second Expansion Space Commencement Date and shall end on the Extended Lease Expiration Date, unless earlier terminated in accordance with the terms and provisions of the Lease. As used herein, the term "Second Expansion Space Commencement Date" means the date on which Landlord substantially completes (hereinafter defined) the Tenant Improvements in the Second Expansion Space (or, if there occurs any Tenant Delay (hereinafter defined), the date by which Landlord would have substantially completed the Tenant Improvements in the Second Expansion Space but for such Tenant Delay). As used herein, the term "substantial completion" shall mean the time when the construction of the Tenant Improvements in the Second Expansion Space shall have progressed to the point that all areas of the Second Expansion Space have been materially completed, except for punch list items which do not materially interfere with Tenant's use of the Second Expansion Space. As used herein, the term "Second Expansion Space Rent Commencement Date" shall mean the date which is the earlier to occur of (a) the date which is thirty (30) days after the Second Expansion Space Commencement Date, or (b) the date on which Tenant commences its business operations in the Second Expansion Space. As used herein, the term "Tenant Delay" shall mean any delay in the substantial completion of the Tenant Improvements caused by Tenant, or Tenant's agents, contractors or employees. Reference is made to the form of Declaration of Second Expansion Space Rent Commencement Date (the "Declaration") attached hereto as Exhibit C. After the Second Expansion Space Rent Commencement Date, Landlord shall complete the Declaration and deliver the completed Declaration to Tenant. Within five (5) days after Tenant receives the completed Declaration from Landlord, Tenant shall execute and return the Declaration to Landlord to confirm the Second Expansion Space Commencement Date, the Second Expansion Space Rent Commencement Date, the Extended Lease Expiration Date and the actual number of rentable square feet in the Second Expansion Space.

7. **Annual Rent.** Commencing on the Second Expansion Space Rent Commencement Date, and thereafter on the first day of each and every calendar month during the Lease Term, Tenant shall pay Landlord Annual Rent for the Second Expansion Space only ("Second Expansion Space Annual Rent") for each S.A.P. Lease Year (as such term is defined in the Second Amendment) in the following amounts, in equal monthly installments ("Second Expansion Space Monthly Rent"), in advance, as follows:

S.A.P. Lease Year	Second Expansion Space Annual Rent Per Square Foot	Second Expansion Space Annual Rent	Second Expansion Space Monthly Rent
1	\$30.00	\$63,300.00*	\$5,275.00
2	\$30.90	\$65,199.00	\$5,433.25
3	\$31.83	\$67,161.36	\$5,596.78
4	\$32.78	\$69,165.84	\$5,763.82
5	\$33.77	\$71,254.68	\$5,937.89
6	\$34.78	\$73,385.76	\$6,115.48
7	\$35.82	\$75,580.20	\$6,298.35
8	\$36.90	\$77,859.00	\$6,488.25
9	\$38.00	\$80,180.04	\$6,681.67
10	\$39.14	\$82,585.44	\$6,882.12
11	\$40.32	\$85,075.20	\$7,089.60
12	\$41.53	\$87,628.32	\$7,302.36
13	\$42.77	\$90,244.68	\$7,520.39
14	\$44.06	\$92,966.64	\$7,747.22
15	\$45.38	\$95,751.84	\$7,979.32
[*on an annualized basis]			

Tenant shall pay Landlord Second Expansion Space Annual Rent in accordance with the terms and conditions of Section 3 of the Original Lease (captioned, "Rent").

8. **Tenant's Pro-Rata Share.** Landlord and Tenant hereby expressly acknowledge and agree that, as of the Second Expansion Space Rent Commencement Date (i) Tenant's "pro-rata share" of increases in Operating Expenses over the Initial Operating Expense Year cost shall be increased from 9.07% to 10.53%, and (ii) Tenant's "pro-rata share" of increases in Real Estate Taxes over the Real Estate Taxes incurred in the Base Year shall be increased from 9.07% to 10.53%.

9. **Tenant's Continuing Obligations with Respect to the Original Premises and the Expansion Space.** Between the Effective Date and the Extended Lease Expiration Date, Tenant shall continue to pay to Landlord all Annual Rent for the Original Premises and the Expansion Space in accordance with the terms and conditions of Paragraph 5 of the Second Amendment (captioned, "Annual Rent").

10. **Brokers.** Landlord and Tenant each represent and warrant to the other that no broker has been employed in carrying on any negotiations relating to this Third Amendment and shall each

indemnify and hold harmless the other from any claim for brokerage or other commission arising from or out of any breach of the foregoing representation and warranty.

11. Miscellaneous. This Third Amendment (a) shall be binding upon and inure to the benefit of the parties hereto and their respective representatives, transferees, successors and assigns and (b) shall be governed by and construed in accordance with the laws of the State of Maryland.

12. Ratification. Except as expressly amended by this Third Amendment, all other terms, conditions and provisions of the Lease are hereby ratified and confirmed and shall continue in full force and effect.

[signatures appear on the following page]

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Lease under seal as of the day and year first hereinabove written.

WITNESS:



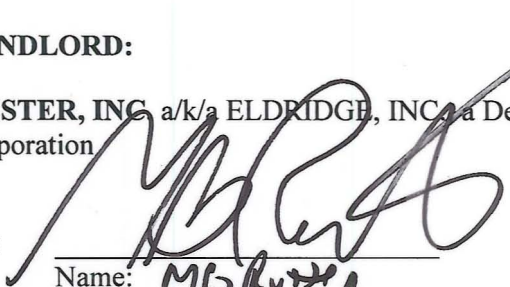
LANDLORD:

HESTER, INC a/k/a ELDRIDGE, INC a Delaware corporation

By:

Name:

Title:


M. J. Rutter
Pres.

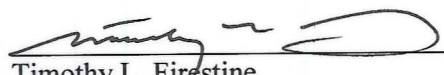
WITNESS:

Rebecca S. Dornaruk

TENANT:

MONTGOMERY COUNTY, MARYLAND,

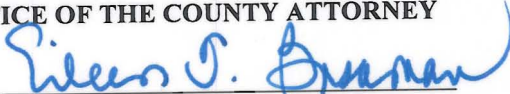
By:


Timothy L. Firestine
Chief Administrative Officer

Date signed: 8/20/2007

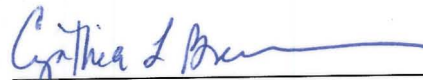
APPROVED AS TO FORM AND LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By:



RECOMMENDED:

By:



Cynthia L. Brenneman, Director
Office of Real Estate
Dept. of Public Works and Transportation

Date signed:

7/25/2007

Date signed:

7/23/07

EXHIBIT A

FLOOR PLAN OF SECOND EXPANSION SPACE / TENANT IMPROVEMENTS

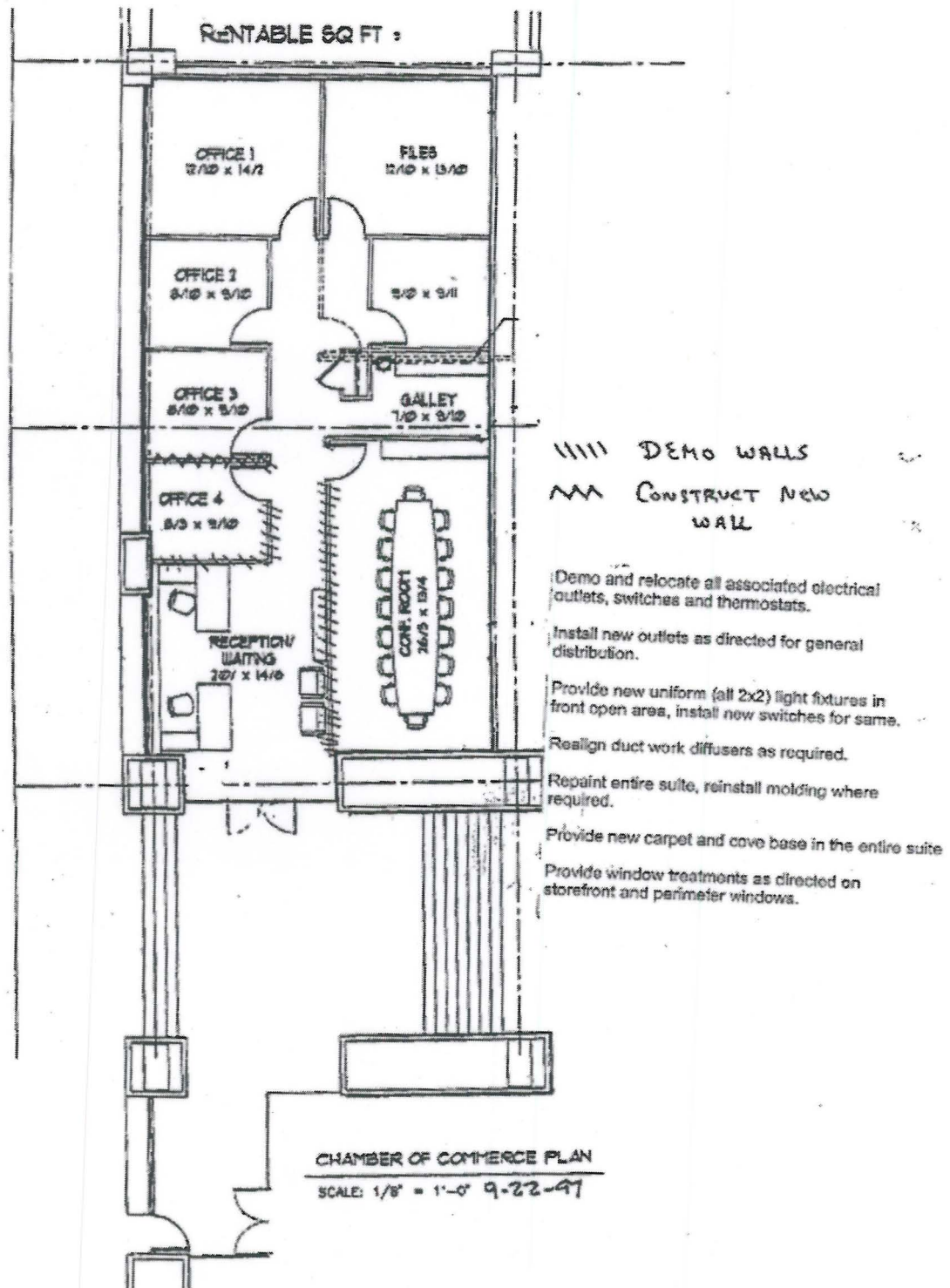


EXHIBIT B
INTENTIONALLY OMITTED

EXHIBIT C

DECLARATION OF SECOND EXPANSION SPACE RENT COMMENCEMENT DATE

This Declaration of Second Expansion Space Rent Commencement Date is made as of _____, 2007, by **HESTER, INC. a/k/a ELDRIDGE, INC.**, a Delaware corporation ("Landlord"), and **MONTGOMERY COUNTY, MARYLAND**, a body corporate and politic ("Tenant"), who agree as follows:

1. Landlord and Tenant entered into that certain Third Amendment to Lease dated _____, 2007 (the "Third Amendment"), in which Landlord leased to Tenant, and Tenant leased from Landlord, certain premises described therein and located at 255 Rockville Pike, Rockville, Maryland. All capitalized terms herein are as defined in the Third Amendment.

2. Pursuant to the Third Amendment, Landlord and Tenant agreed to and do hereby confirm the following matters as of the Second Expansion Space Rent Commencement Date:

- a. the Second Expansion Space Commencement Date is _____, 200_;
- b. the Second Expansion Space Rent Commencement Date is _____, 200_;
- c. the Extended Lease Expiration Date is _____, 201_; and
- d. the number of rentable square feet comprising the Second Expansion Space is _____.

3. Tenant confirms that:

- a. it has accepted possession of the Second Expansion Space as provided in the Third Amendment;
- b. Landlord has fulfilled all its obligations to be provided to Tenant as of the date hereof;
- c. the Lease is in full force and effect and has not been modified, altered, or amended, except, as follows: _____; and
- d. there are no set-offs or credits against Rent, and no security deposit or prepaid rent has been paid, except as follows: _____.

[signatures appear on the following page]

The provisions of this Declaration of Second Expansion Space Rent Commencement Date shall inure to the benefit of, or bind, as the case may require, the parties and their respective successors and assigns, subject to the restrictions on assignment and subleasing contained in the Lease, and are hereby attached to and made a part of the Lease.

LANDLORD:

HESTER, INC. a/k/a ELDRIDGE, INC., a Delaware corporation

By: _____
Name:
Title:

TENANT:

MONTGOMERY COUNTY, MARYLAND, a body corporate and politic

By: _____
Name:
Title:

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